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Russia Approves Draft Agreement on Trade Accord with the U.S.

Russia will gradually increase the volume of poultry meat and beef imports from the U.S. and decrease U.S. pork imports by 2009 under Russian Government Resolution #221 "Agreement Between the Government of the United States of America and the Government of the Russian Federation on Trade in Certain Types of Poultry, Beef and Pork." The special measure established for certain types of poultry will include boneless meat (codes HS 0207.14.10 and HS 0207.27.10), but without establishing separate volumes.

The draft agreement provides for obligatory consultations with the U.S. if Russia imposes veterinary restrictions on meat. Requirements for re-export of product from Russia will not be applied and import licenses must be issued within 5 calendar days after receipt of the application.

The agreement provides for semi-annual consultations between U.S. and Russian officials to review market conditions and decide whether to increase the volume of any quotas. Both parties will consider Russia's requests for reallocation of unused U.S. share to other countries and U.S. requests for carryover of U.S. share from year to year.

The parties will review the question of special measure parameters that may be in effect beyond 2009. One issue is whether to switch to a tariff-only regime.

Poultry (HS 0207)* in thousand MT

	2005	2006	2007	2008	2009
Quantity	1,090.4	1,130.8	1,171.2	1,211.6	1,252.0
U.S. allocation	811.0	841.0	871.4	901.0	931.0
Share	74.4%	74.4%	74.4%	74.4%	74.7%
Duty	25%	25%	25%	25%	25%
Duty applied to imports above the special measure quantity	---	62.5%	62.5%	62.5%	50.0

*Subject to transformation from currently applied quantitative restriction to a special measure from January 1, 2006

The poultry quota will increase to 1,090.4 metric tons in 2005. The U.S. will maintain a 74.4% share, so the 2005 actual quota will increase 5.1%, from 771,900 MT to 811,300 MT. By 2009, the U.S. quota will total 931.0 MT, a 14.8% increase. A tariff for over quota imports will go into effect in 2006, starting at 62.5% and then falling to 50% in 2009.

Source: Government of the Russian Federation

U.S. Poultry Exports to Russia, in metric tons

	January- December			Jan-Feb	
HS Code	2001 MT	2002 MT	2003 MT	2004 MT	2005 MT
0207	1,100,317	716,000	674,869	729,579	66,287
1601	2,608	1,121	239	431	239.9
1602	16,258	3,426	5,972	2,331	73.5

HS Code 0207: Poultry meat and edible offal

HS Code 1601: Sausages and similar products based on poultry

HS Code 1602: Other prepared or preserved meat of poultry

Source: Department of Commerce, U.S. Census Bureau

U.S. Broiler and Turkey Export Outlook

Broiler exports in the first quarter are expected to total 1.25 billion pounds, a 22-percent increase from the previous year. The large year-over-year increase is attributable to bans by a number of countries on U.S. poultry products in the first quarter of 2004 due to avian influenza (AI) outbreaks.

Normally with only moderate increases in production and growth in exports and lower stock levels, prices of broiler products would be expected to strengthen. Prices for whole birds averaged 71.9 cents per pound in the first quarter, down from the previous year, but up over 5 percent from the fourth quarter of 2004. Prices for whole broilers are expected to gradually strengthen during 2005, but not until the fourth quarter will they exceed last year's levels.

The first quarter 2005 estimate for turkey production was reduced by 15 million pounds to 1.31 billion pounds, about even with production in the first quarter of 2004. Over the first 2 months of 2005, the number of turkeys slaughtered was down by 4 percent. This decrease in numbers has been offset by a 4-percent increase in the average liveweight to almost 29 pounds per bird.

The turkey production estimate has also been reduced for the remainder of 2005, with the total for the year at 5.49 million pounds, down 90 million pounds from the previous estimate. The reduction in the number of turkeys being slaughtered is a reflection of the amount of turkey poult being placed for growout, which has been lower on a year-over-year basis for a number of months.

Turkey exports over the first half of 2005 are expected to show considerable growth compared with the previous year. Like broilers, turkey exports in the first half of 2004 were held down by the bans on

U.S. Poultry Forecasts, in million pounds

	Broiler	Exports Turkey	Production Broiler	Turkey
Annual 2001	5,555	487	31,266	5,562
Annual 2002	4,807	439	32,240	5,713
Annual 2003	4,920	484	32,749	5,650
2004 I	1,024	83	8,195	1,309
2004 II	1,008	93	8,492	1,366
2004 III	1,250	134	8,839	1,390
2004 IV	1,486	133	8,537	1,389
Annual 2004	4,768	443	34,063	5,454
2005 I	1,250	120	8,450	1,310
2005 II	1,260	120	8,775	1,375
2005 III	1,245	130	9,075	1,375
2005 IV	1,270	140	8,825	1,425
Annual 2005	5,025	510	35,125	5,485

Source: USDA, Economic Research Service

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending April 9, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Liquid	309	95	3,352	2,166
Frozen	0	0	0	0
Dried	0	0	82	187
Total	309	95	3,434	2,353

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending April 9, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Liquid	66	18	2,076	1,177
Frozen	7	85	316	551
Dried	0	78	300	902
Total	73	181	2,692	2,630

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending April 9, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Jumbo	0	0	33	50
Extra Large	1,700	780	8,150	5,760
Large	3,070	1,690	20,050	13,603
Medium	2,130	990	16,215	12,870
Ungraded	8,880	4,276	18,020	28,494
Misc	0	1,420	2,263	6,770
Total	15,780	9,156	64,731	67,547

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section
Source: USDA/AMS Poultry Programs, Market News Branch.**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E 9-Apr-05 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,740	1,314	3,054
Last Week	1,671	1,421	3,092
Same week yr ago	1,362	1,305	2,667
To-date/2005	21,042	18,412	39,454
To-date/2004	17,870	17,683	35,553

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	362	0	362
Last Week	404	0	404
Same week yr ago	199	0	199
To-date/2005	4,208	11	4,219
To-date/2004	3,348	39	3,387

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	2,102	1,314	3,416
Last Week	2,075	1,421	3,496
Same week yr ago	1,561	1,305	2,866
To-date/2005	25,250	18,423	43,673
To-date/2004	21,218	17,722	38,940

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Apr 15, 2005

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	29.00	26.00	60,400	-
WTD AVERAGE	29.00	26.00		
15-20%				
RANGE	29.00	17.00-28.00	998,800	163,200
WTD AVERAGE	29.00	21.19		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Apr 15, 2005

CHICKEN WITH SKIN ADDED

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	19.25	18.25-28.00	448,000	208,000
WTD AVERAGE	19.25	23.13		
15-20%				
RANGE	17.50-30.00	18.50-30.00	1,874,000	1,434,000
WTD AVERAGE	24.72	25.68		
20% OR MORE				
RANGE	-	19.00	80,000	-
WTD AVERAGE		19.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 15 APRIL 2005.

The market tone on fresh tom breast meat was steady with isolated unsettledness noted; wing meat with skin and scapula steady at best, balance of white meat steady to fully steady. Demand on wing meat with skin very light to light, scapula light, balance moderate. Offerings of wing meat with skin available for the limited buyer interest, scapula adequate to fully adequate, breast trim light to adequate, fresh tom breast meat uneven, balance of white meat light. Trading was active on wings, balance slow. For domestic (rib breasts): plant grade non-basted 12-14 lb 118-128, 14-16 lb 122-133, 16-18 lb. 125-133; tails 23-24; frozen 10 lb. -85% lean ground turkey 56-64; fresh scapula 120 cents delivered. For export: tom defatted gizzards 55 cents shipping point, fresh tom drums 40, fresh thigh 91 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, APRIL 15, 2005	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	43.00		43.00	156	40.65	408
WINGS FULL-CUT - TOMS		R	26.00	104	26.00	104
WINGS, V-TYPE, TOM	40.00		40.00	54	41.59	262
TAILS	26.00		26.00	40	23.33	120
MECHANICALLY SEPARATED 2/	33.00		33.00	40	31.56	144
THIGH MEAT - FROZEN	87.00		87.00	52	85.88	300

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, APRIL 14, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	38.00-40.50		39.60	212
WINGS FULL-CUT - TOMS	26.00		26.00	104
WINGS, V-TYPE, TOM		W	42.00	208
TAILS		W	22.00	80
MECHANICALLY SEPARATED 2/		W	31.00	104
THIGH MEAT - FROZEN	85.00		85.00	208

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, APRIL 13, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	37.00		37.00	40
WINGS FULL-CUT - TOMS		F	31.06	264
WINGS, V-TYPE, TOM	41.00-43.00		42.00	208
TAILS	22.00		22.00	80
MECHANICALLY SEPARATED 2/	31.00		31.00	104
THIGH MEAT - FROZEN	89.00		89.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, APRIL 12, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	41.28	144
WINGS FULL-CUT - TOMS		F	31.06	264
WINGS, V-TYPE, TOM		F	38.00	104
TAILS		T	26.00	40
MECHANICALLY SEPARATED 2/		F	33.00	144
THIGH MEAT - FROZEN		F	89.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, APRIL 11, 2005	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	41.28	144
WINGS FULL-CUT - TOMS		F	31.06	264
WINGS, V-TYPE, TOM		F	38.00	104
TAILS		T	26.00	40
MECHANICALLY SEPARATED 2/		F	33.00	144
THIGH MEAT - FROZEN		F	89.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.